

141.4246 Ethanol or cellulosic ethanol credit distribution for pass-through entities.

- (1) An ethanol producer or a cellulosic ethanol producer that is a pass-through entity not subject to tax under KRS 141.040 shall apply the amount of approved credit against the tax imposed by KRS 141.0401 at the entity level, and shall also distribute the amount of the approved credit to each partner, member, shareholder, or beneficiary based on the partner's, member's, shareholder's, or beneficiary's distributive share of the income of the pass-through entity.
- (2) Each ethanol producer or cellulosic ethanol producer shall notify the department electronically of all partners, members, shareholders, or beneficiaries who may claim any amount of the approved credit. Failure to provide information to the department in a manner prescribed by administrative regulation may result in the forfeiture of available credits to all partners, members, shareholders, or beneficiaries in the pass-through entity.
- (3) An agricultural cooperative association organized under KRS Chapter 272 or 272A may elect to apportion pro rata any amount of the approved credit among the members of the association and, if a limited cooperative association, among patron members only, on the basis of the quantity or value of business done with or for such members for the taxable year. The agricultural cooperative association shall notify the department electronically of all members who may claim any amount of the approved credit if the election is made.
- (4) Failure to provide information to the department in a manner prescribed by administrative regulation may result in the forfeiture of available credits to all partners, members, shareholders, or beneficiaries in the pass-through entity or agricultural cooperative association.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 160, sec. 135, effective July 12, 2012. -- Created 2007 (2d Extra. Sess.) Ky. Acts ch. 1, sec. 25, effective August 30, 2007.